

CANYON CREEK WOMEN'S CRISIS CENTER, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2005



KEMP BURDICK
KEMP BURDICK HINTON & HALL LC
CPA'S & ADVISORS

CANYON CREEK WOMEN'S CRISIS CENTER, INC.

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MEMBERS:
KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

Independent Auditors' Report

To the Board of Directors
Canyon Creek Women's Crisis Center, Inc.
Cedar City, Utah

We have audited the accompanying statement of financial position of Canyon Creek Women's Crisis Center, Inc. (a non-profit corporation) as of June 30, 2005, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United State of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canyon Creek Women's Crisis Center, Inc. as of June 30, 2005 and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a reported dated September 19, 2005 on our consideration of Canyon Creek Women's Crisis Center, Inc.'s internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in accessing the results of our audit.

Our audit was made for the purpose of forming an opinion on basic financial statements of Canyon Creek Women's Crisis Center taken as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.

September 19, 2005

CANYON CREEK WOMEN'S CRISIS CENTER, INC.
Statement of Financial Position
June 30, 2005

ASSETS

Current assets:

Unrestricted cash and cash equivalents	\$ 258,876
Grants receivable	13,713
Prepaid expenses	<u>5,681</u>
Total current assets	<u>278,270</u>

Property and equipment

Buildings & improvements	366,579
Equipment	29,119
Furniture & fixtures	17,096
Land	35,500
Less accumulated depreciation	<u>(139,807)</u>
Total property and equipment	<u>308,487</u>

Total Assets	<u>\$ 586,757</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accrued payroll taxes	\$ 1,328
Accrued vacation	4,025
Deferred revenue	1,250
Current portion of note payable	<u>7,351</u>
Total current liabilities	<u>13,954</u>

Long-term liabilities:

Note payable, net of current portion	<u>132,389</u>
Total liabilities	<u>146,343</u>

Net assets:

Unrestricted	<u>440,414</u>
Total net assets	<u>440,414</u>

Total Liabilities and Net Assets	<u>\$ 586,757</u>
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The accompanying notes are an integral part of the financial statements

CANYON CREEK WOMEN'S CRISIS CENTER, INC.
Statement of Activities
For the Year Ended June 30, 2005

Revenues, gains, and other support:

Support:

Grant revenues, state	\$ 192,611
Grant revenues, other	30,853
Donations	12,724
Donations in-kind	<u>10,000</u>
Total support	<u>246,188</u>

Revenues:

Fundraising	12,435
Interest income	<u>5,661</u>
Total revenues	<u>18,096</u>
Total revenues, gains, and other support	<u>264,284</u>

Expenses and losses:

Program services	216,991
Management and general	24,794
Fund-raising	<u>3,815</u>
Total expenses and losses	<u>245,600</u>

Change in net assets 18,684

Net assets, beginning of year 421,730

Net assets, end of year \$ 440,414

The accompanying notes are an integral part of the financial statements

CANYON CREEK WOMEN'S CRISIS CENTER, INC.

**Statement of Cash Flows
For the Year Ended June 30, 2005**

Cash flows from operating activities:

Cash received from grants	\$ 215,101
Cash received from donations	12,724
Cash received from fund-raising	12,435
Cash received from interest earned	5,661
Cash paid for program services	(188,076)
Cash paid for management and general expenses	(24,794)
Cash paid for fund-raising	<u>(3,815)</u>
Net cash from operating activities	<u>29,237</u>

Cash flows from investing activities:

Acquisition of fixed assets	<u>(6,119)</u>
Net cash from investing activities	<u>(6,119)</u>

Cash flows from financing activities:

Principal payments on long-term debt	<u>(6,422)</u>
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Net cash flows 16,696

Cash and cash equivalents at beginning of year 242,180

Cash and cash equivalents at end of year \$ 258,876

Reconciliation of change in net assets to net cash provided by operating activities:

Change in net assets	\$ 18,684
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	15,362
Changes in operating assets and liabilities:	
Decrease/(increase) in receivables	2,865
Decrease/(increase) in grant receivables	(2,874)
Decrease/(increase) in prepaid expenses	(3,406)
Increase/(decrease) in deferred revenues	(5,488)
Increase/(decrease) in accrued vacation payable	4,025
Increase/(decrease) in accrued payroll taxes	<u>69</u>
Net cash flows from operating activities	<u>\$ 29,237</u>

The accompanying notes are an integral part of the financial statements

CANYON CREEK WOMEN'S CRISIS CENTER, INC.
Notes to the Financial Statements
June 30, 2005

Note 1. Significant Accounting Policies

General

Canyon Creek Women's Crisis Center, Inc. is a non-profit organization that provides care and resources for women and children who are victims of domestic violence.

Basis of Accounting

The changes in net assets and financial position are reported under the accrual method of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Description of Programs

The Center provides shelter, crisis counseling, emotional support, and education information for women and children who are victims of domestic violence.

Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grants Receivable

Grants receivable arise from billings for grants with the State of Utah. An allowance for doubtful accounts is not considered necessary.

CANYON CREEK WOMEN'S CRISIS CENTER, INC.

Notes to the Financial Statements

June 30, 2005

Note 1. Significant Accounting Policies, Continued

Inventory

The Organization maintains inventories of operating and office supplies which are not material to and not recorded in the financial statements.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in accomplishing their mission, but these services do not meet the criteria for recognition as contributed services and are therefore not recorded in the financial statements.

Functional Allocation of Expenses

The costs of providing the shelter program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program, general and administrative, and fund-raising expenses.

Fundraising Costs

The Organization expenses fund-raising costs as incurred. Fund-raising expenses were \$3,815 for the year ended June 30, 2005.

Pension Plans

The Organization did not participate in a pension plan during the year ended June 30, 2005.

Provision for Income Tax

The Organization is organized as a nonprofit entity exempted from Utah tax under the Utah Nonprofit Corporation and Cooperative Association Act. The company is exempt from Federal income tax under Internal Revenue Service Code Section 501(c)(3).

Note 2. Grant Agreements and Concentration Risks

Because the Organization receives 78% of its funding from the State of Utah, it is dependent on the continuation of its contracts with the State. The termination or expiration of these contracts could make the Organization vulnerable to the risk of a near-term severe economic impact.

CANYON CREEK WOMEN'S CRISIS CENTER, INC.

Notes to the Financial Statements

June 30, 2005

Note 3. Cash

The Organization's cash and cash equivalents are considered to be cash on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for the purposes of this note and the statement of cash flows.

Deposits with financial institutions are insured by FDIC up to \$100,000 per financial institution. The carrying amount of the Organization's demand deposits at June 30, 2005 was \$258,876 and the bank balance was \$270,428. Of the bank balance, \$270,230 was covered by FDIC and \$198 was not insured or collateralized.

Note 4. Fixed Assets

Expenditures for land, buildings, furniture and equipment are stated at cost. Donated assets are recorded at their estimated fair market values at the date of donation. Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong life, are charged to expense as incurred. Major renewals and betterments are capitalized. Gains and losses on dispositions of property and equipment are included in revenue in the year of disposition.

Depreciation of property and equipment is calculated on the straight-line method over the following estimated useful lives:

Buildings	40 years
Furniture, fixtures and equipment	7 years
Property improvements	7 years

The following table summarizes the changes to the fixed assets during the year ended June 30, 2005:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Buildings & improvements	\$366,579	\$ -	\$ -	\$ 366,579
Equipment	30,990	-	1,871	29,119
Furniture & fixtures	10,977	6,119	-	17,096
Land	35,500	-	-	35,500
	<u>\$444,046</u>	<u>\$ 6,119</u>	<u>\$ 1,871</u>	<u>\$ 448,294</u>

CANYON CREEK WOMEN'S CRISIS CENTER, INC.
Notes to the Financial Statements
June 30, 2005

Note 5. Long-term Debt

Long-term debt consists of a note payable to the State of Utah, secured by the land and building. The note bears interest at 5% and is payable in monthly installments of \$1,181, including interest.

Future maturities of the note payable to the State of Utah are as follows:

Year Ending June 30,	
2006	\$ 7,351
2007	7,727
2008	8,105
2009	8,537
2010	8,973
Thereafter	99,047
	<u>\$ 139,740</u>

SUPPLEMENTARY INFORMATION

CANYON CREEK WOMEN'S CRISIS CENTER, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2005

Expense Category	Program	Management & General	Fund-raising	Total
Advertising	\$ 144	\$ -	\$ -	\$ 144
Depreciation	15,362	-	-	15,362
Employee benefits	11,654	3,885	-	15,539
Food and shelter	8,495	-	-	8,495
In-kind disbursements	10,000	-	-	10,000
Insurance	-	2,549	-	2,549
Interest	7,749	-	-	7,749
Licenses and fees	-	323	-	323
Maintenance and repair	1,384	-	-	1,384
Office expense	-	3,611	-	3,611
Payroll taxes	12,859	677	-	13,536
Professional fees	-	6,575	-	6,575
Promotion	-	-	3,815	3,815
Salaries and wages	136,309	7,174	-	143,483
Telephone	4,425	-	-	4,425
Travel and training	4,022	-	-	4,022
Utilities	4,588	-	-	4,588
Total Expenses	\$ 216,991	\$ 24,794	\$ 3,815	\$ 245,600



KEMP BURDICK

KEMP BURDICK HINTON & HALL L.C.

CPA'S & ADVISORS

**Independent Auditors' Report on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

The Board of Directors
Canyon Creek Women's Crisis Center, Inc.
Cedar City, Utah

We have audited the financial statements of Canyon Creek Women's Crisis Center, Inc. (a non-profit organization), as of and for the year ended June 30, 2005 and have issued our report thereon dated September 19, 2005. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Canyon Creek Women's Crisis Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Canyon Creek Women's Crisis Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Canyon Creek Women's Crisis Center, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and recommendations as item 05-1.

A material weakness is a reportable condition in which the design or operations of one or more of the internal control components does not reduce to a relative low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of the board of directors, management, and various federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.

September 19, 2005



KEMP BURDICK

KEMP BURDICK HINTON & HALL L.L.C.

CPA'S & ADVISORS

Independent Auditors' Report on State Legal Compliance

Board of Directors
Canyon Creek Women's Crisis Center, Inc.
Cedar City, Utah

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
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MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

We have audited the financial statements of Canyon Creek Women's Crisis Center, Inc. (the Organization) for the year ended June 30, 2005, and have issued our report thereon dated September 19, 2005. As part of our audit, we have audited the Organization's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; and special tests and provisions applicable to its major State assistance program as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2005. The Organization received the following major State assistance program from the State of Utah.

Department of Human Services (Family Violence Prevention and Service Grant)

The Organization also received the following nonmajor grants which are not required to be audited for specific compliance requirements. (However, these programs were subject to test work as part of the audit of the Organization's financial statements.)

Homeless Trust Fund
State Office of Crime Victim Reparations (VAWA Funds)
State Office of Crime Victim Reparations (VOCA Funds)

Our audit included testwork on the Organization's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

Cash Management
Other General Compliance Requirements

The management of the Organization is responsible for the Organization's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements. We believe our audit provides a reasonable basis for our opinion.

The result of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Organization, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance program for the year ended June 30, 2005.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.

September 19, 2005



Findings and Recommendations

Board of Directors
Canyon Creek Women's Crisis Center, Inc.
Cedar City, Utah

Ladies and Gentlemen:

During our audit of the financial statements of Canyon Creek Women's Crisis Center, Inc. (the Organization) for the year ended June 30, 2005, we noted circumstances that, if improved, would strengthen the Organization's accounting system and control over its assets. These items are discussed below for your consideration.

05-1. Segregation of Duties

Finding

Because of the small administrative staff, the Organization lacks a complete segregation of duties; however, controls have been implemented to mitigate this weakness such that it is not deemed to be a material weakness. We choose to continue to mention proper segregation in order to remind management of its importance until such time as the Organization has the need for additional staff and can fully segregate custody of assets and recording functions. For example, the individual preparing the bank reconciliations and those who have access to the accounting system should be segregated from handling cash disbursements and cash receipts. Proper segregation of duties provides important safeguards and controls to ensure the proper accounting, deposit and disposition of the Organization's funds.

Recommendation

We recommend that the Organization consider ways that segregation of duties can be achieved within its accounting and administrative functions, especially as the Organization continues to grow and additional staff are considered necessary. We would be happy to assist the Organization in the design and/or implementation of job descriptions and duties to properly achieve this segregation.

MEMBERS:

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05-2. In-Kind Donations/Disbursements

Finding

During our test work we noted that no amounts have been recorded on the financial statements for the various non-cash items received and disbursed by the Organization, such as quilts, clothing, cleaning supplies, and items donated for auction, etc.

Recommendation

We recommend that the Organization implement a policy for estimating the value of donated items and recording their receipt and disbursement on the financial statements.

It has been a pleasure to be of service to the Organization during this year's audit. We would like to express our special thanks to each of you who assisted us so efficiently during the audit. We commend the Organization and its management in its efforts to provide accurate accounting data. We invite you to ask questions of us concerning the above comments and also throughout the year as you feel necessary. We look forward to a continued, pleasant, professional relationship.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.

September 19, 2005